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From: Budner, Amy
Sent: Friday, April 08, 2011 4:41 PM
To: 'Herman, Jodi (Menendez)'
Cc: Kapla, Robert
Subject: Potential questions for SFRC FY12 budget hearing on 4/13/11

Just want to thank you again for your inquiries on the STA issue. We realize it's a busy time and appreciate your attention to the issue.

Additionally, I appreciate the notice on the SFRC hearing next week with Administrator Shah. The Embassy has drafted some questions concerning Cyprus' USAID funding and wanted to share with you in the event the Senator would be interested in asking one of them during the hearing, or submitting them for the written record. I believe he has expressed interest in the issue in the past.

The questions are attached. Please let us know if you have any questions, and thanks in advance for your consideration.

Best,
Amy

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SENATE FOREIGN RELATIONS COMMITTEE
FY2012 Budget for International Development Policy Priorities
April 13, 2011

Draft Questions for USAID Administrator Rajiv Shah

Q: With respect to Cyprus, the United States' policy has been to support a Cyprus settlement, under the auspices of the United Nations, based on a bi-communal, bi-zonal federation with a single sovereignty and international personality and a single citizenship, with its independence and territorial integrity safeguarded, and comprising two politically equal communities as provided by the relevant United Nations Security Council Resolutions. As such, the President's budget proposal typically recognizes the reunification of Cyprus as an opportunity to advance U.S. interests in the region.

Since 1993, Congress has supported that interest through the appropriations process, appropriating Economic Support Funds (ESF) to Cyprus for reunification but restricting that the funds "be used only for scholarships, administrative support of the scholarship program, bicultural projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus."

As you know, the on-going division of Cyprus presents a unique situation that warrants a level of scrutiny concerning the provision of United States assistance that goes beyond that which is required for other countries. Indeed, in recent years, there have been concerns in Congress regarding the lack of transparency related to the uses of this funding on the island.

The USAID website does not appear to provide up-to-date information on programs in Cyprus supported by ESF funding. In fact, the most recent information on its website is nearly two years old. Can you please provide this Committee with a detailed accounting of programs supported by ESF funds on the island, for the past five years, including the recipients of funds for each year, the uses to which those funds have been put, and the role of those funds in helping achieve the reunification of Cyprus?

Q: The President's budget proposal typically recognizes the reunification of Cyprus as an opportunity to advance U.S. interests in the region by requesting Economic Support Funds (ESF) for the island. Further, the Department's FY2012 budget justification requests, as it has in previous years, that Cyprus programs focus on "encouraging the eventual reunification of the island by building support for the peace process, increasing the capacity of civil society to advocate for reconciliation and reunification, and furthering economic integration."